



## Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

# Revised Fiscal Note

(replaces fiscal note dated March 31, 2021)

<b>Drafting Number:</b>	LLS 21-0757	<b>Date:</b>	May 3, 2021
<b>Prime Sponsors:</b>	Sen. Rodriguez Rep. Woodrow	<b>Bill Status:</b>	Senate Second Reading
		<b>Fiscal Analyst:</b>	Erin Reynolds   303-866-4146 Erin.Reynolds@state.co.us

**Bill Topic:** **WORKERS' COMPENSATION PHYSICIAN**

<b>Summary of Fiscal Impact:</b>	<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
	<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
	<input type="checkbox"/> State Transfer	<input checked="" type="checkbox"/> Statutory Public Entity

This bill modifies the selection process for a treating physician in a workers' compensation case. It will increase state, local government, and statutory public entity expenditures on an ongoing basis.

**Appropriation Summary:** No appropriation is required in FY 2021-22, as these costs will be covered by the state's Workers' Compensation pool.

**Fiscal Note Status:** This revised fiscal note is provided pursuant to Senate Rule 25(e) and reflects amendments adopted by the Senate Business, Labor, and Technology committee.

**Table 1**  
**State Fiscal Impacts Under SB 21-197**

		Budget Year FY 2021-22	Out Year FY 2022-23
Revenue		-	-
Expenditures	Reappropriated Fund	Up to \$4.7 million	Up to 4.7 million
Transfers		-	-
TABOR Refund		-	-

## **Summary of Legislation**

Under current law, when a worker is injured on the job, the worker's employer or worker's compensation insurer is required to provide a list of designated providers from which the injured worker may select a physician or corporate medical provider for treatment. This bill allows the injured worker to choose their treating physician from any level I or level II accredited physician from the Physician's Accreditation Program in the Division of Workers' Compensation in the Department of Labor and Employment, and requires employers or insurers to notify workers of this right. If an injured worker is unable or unwilling to select the treating physician within six months, the employer or insurer is required to choose the physician.

## **State Expenditures**

Beginning in FY 2021-22, the bill will increase expenditures in the Department of Personnel and Administration by up to \$4.7 million per year. Workload will also increase in the Department of Labor and Employment and the Department of Regulatory Agencies.

**Department of Personnel and Administration.** The bill is expected to increase in workers' compensation costs for the state as an employer by up to \$4.7 million per year. By not requiring a designation of an authorized treating physician for six months, the employer or insurer could be paying temporary total disability for that entire time awaiting the provider's decision on work status. The bill will also require the state to end or rework existing agreements with occupational medical providers and increase litigation as a result of a more complicated workers' compensation environment.

For informational purposes, state workers' compensation claims are primarily filed by the employees with Colorado State Patrol, the Department of Human Services, and the Department of Corrections. Any adjustment to state workers' compensation costs will be made through the annual budget process based on an actuarial analysis of actual claims and payments made.

**Department of Labor and Employment.** The Division of Workers' Compensation will conduct rulemaking to reflect the change in the Workers' Compensation Rules of Procedure. The division director will also need to prescribe an authorized treating physician designation form. This increase in workload can be accomplished within existing appropriations.

**Department of Regulatory Agencies.** The Division of Professions and Occupations will conduct outreach and education to physicians and respond to any new complaints. This increase in workload can be accomplished within existing appropriations.

## **Local Government**

Similar to the state, this bill will increase workers' compensation costs for local governments.

## **Statutory Public Entity**

Pinnacol Assurance is expected to have significantly increases costs due to bill's six month timeframe for an injured worker to designate a treating physician. These costs will result from the ability to change doctors in that timeframe, more time away from working, and the potential for additional litigation.

## **Effective Date**

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

## **State and Local Government Contacts**

Information Technology  
Personnel

Labor  
Regulatory Agencies

Law